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United Nations

# Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

## 1 January-31 December 2009

**General Assembly**
**Official Records**
**Sixty-fifth Session**
**Supplement No. 13**

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# Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

**1 January-31 December 2009**

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# Letter of transmittal

I have the honour to submit to the General Assembly the report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for 2009. The report is submitted in compliance with paragraph 21 of Assembly resolution 302 (IV) and paragraph 8 of resolution 1315 (XIII).

As in previous years, the report describes UNRWA's operational context, highlighting key influences on its operations. The report outlines the legal matters that have engaged the attention of UNRWA, progress in organizational development reforms, the Agency's financial situation and the performance of its programmes. A brief summary of priorities by fields of operation is also included.

UNRWA's Advisory Commission, which comprises representatives of 23 member States and three observer delegations, endorsed a draft of the report during its June 2010 session. The views of the Commission are contained in the attached letter addressed to me by its Chairman. I am most obliged to the Commission for its constructive engagement and its ever-helpful advice. In accordance with usual practice, I have also shared a draft of the report with representatives of the Government of Israel.

I take this opportunity to update the General Assembly on developments of the past few months.

The closure of the Gaza Strip's borders has entered its fourth year. It affects every aspect of the public and private life of the 1.5 million people in the Gaza Strip, over half of whom are children, and causes human misery on a massive scale. For example, 80 per cent of the population is now dependent on food assistance from the United Nations; 90 per cent of the water is unsafe to drink by World Health Organization standards; and 95 per cent of the private sector businesses have closed down.

The tragic events in international waters on 31 May have been a painful reminder of the unacceptable and counterproductive nature of the blockade of the Gaza Strip, the continuation of the occupation of Palestinian territory, and, more broadly, the persistence of the conflict in the Middle East. It took the loss of life and injuries of civilians in a convoy sailing to the Gaza Strip to lead the international community clearly to pronounce the situation there as unsustainable. The new measures towards the Gaza Strip, announced by the Government of Israel in early July, are a welcome development.

UNRWA's experience, however, suggests that modalities of implementation are key. While recognizing Israel's legitimate security concerns, we reiterate the call for an end to the blockade and for sustained and regular flow of goods and people through the Gaza crossings as well as unimpeded provision of humanitarian assistance throughout the territory. Nothing short of this will allow the needs of the

population to be met, desperately required reconstruction and infrastructure development projects to be initiated, and legitimate economic activity to be generated. Although less in the spotlight, the situation of protracted humanitarian and development crises, as well as the numerous instances of violence and insecurity in the West Bank, including in East Jerusalem, remain matters of deep concern.

UNRWA's financial situation, fragile as it was in 2009 as in previous years, is now alarming. Funding shortfalls affect our core budget, UNRWA's General Fund, as well as our emergency appeals. Both are essential for the Agency to pursue its relief, protection and human development mandate. The anticipated General Fund deficit is particularly distressing as it finances the provision of our core activities of health, education, and assistance to the most vulnerable. In June 2010, we informed the Advisory Commission that the shortfall of our General Fund against our programme requirements was $160 million, $103 million of which is the minimum required to maintain services at existing levels to the end of the year. With no working capital to fall back on, austerity measures are already in place, affecting the quality of the services provided to Palestine refugees. Without more generous contributions, UNRWA's capacity to carry out essential activities and adequately pay its staff will remain limited. In addition, the Agency's ability to sustain its modernization and reform efforts, initiated in 2007 by the organizational development process, is also seriously constrained.

Confronted as we are by financial, political and contextual predicaments, allow me to conclude with a final call. At this particularly difficult juncture, it is essential that the international community reaffirm its shared commitment to the well-being and human development of Palestine refugees. Pending a just and lasting solution to their plight, this implies addressing UNRWA's grave financial situation with a view to restoring the long-term financial health of the Agency. This is essential for it to continue to provide high-quality services and offer opportunities to refugees. More than ever, the international community must also redouble its efforts to deal comprehensively with all issues of this conflict and achieve a negotiated agreement, inclusive of refugee interests and entitlements, that leads to the establishment of an independent and viable Palestinian State living side by side in peace and security with Israel and its other neighbours.

(*Signed*) Filippo **Grandi**
Commissioner-General

## Letter dated 22 June 2010 from the Chairman of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East to the Commissioner-General of the Agency

At its regular session held in Cairo on 21 and 22 June 2010 the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) considered the draft annual report on UNRWA's activities and operations, covering the period from 1 January 2009 to 31 December 2009, to be submitted to the General Assembly at its forthcoming sixty-fifth session.

The Commission commends UNRWA for its efforts to continue delivering its programmes and services to Palestine refugees in its fields of operation and the vital role of UNRWA in contributing to regional stability until a just solution is reached, in accordance with relevant United Nations resolutions (General Assembly resolutions 194 (III) and 302 (IV)).

The Commission is gravely concerned about the loss of life in 2009 and the hardships endured by the majority of the Palestinian refugees in the West Bank and Gaza Strip. The restrictions on access to the Gaza Strip, along with periods of violence, have profoundly deepened the economic and social crisis, and led to even greater demand for UNRWA's services. The Commission urges that access be permitted for all goods necessary for the Agency to carry out its humanitarian and human development activities, including currency and construction materials. The Advisory Commission expresses deep concern regarding attacks and threats against UNRWA facilities and staff by all parties.

The Commission notes with deep concern that the separation barrier, closures, curfews and other restrictions on movement imposed in the West Bank and Gaza Strip by the Israeli authorities have led to further hardship for the affected population. These restrictions, including those with respect to East Jerusalem, continue to hinder economic development, specifically access to sources of employment and essential goods and services, as well as the ability of UNRWA to carry out its mandated tasks. The Commission reiterates the urgent need for the removal of all Israeli restrictions regarding the movement of UNRWA staff and goods in accordance with the November 2005 Agreement on Movement and Access concluded between the Government of Israel and the Palestinian Authority and the 1967 Comay-Michelmore agreement between UNRWA and the Government of Israel.

The Commission remains deeply concerned about obstructions to the Agency's services and damages to its premises. The Commission calls upon the General Assembly to examine the direct taxation levied and additional restrictions imposed by Israel on Agency containers passing through Gaza Strip crossings and to consider, in its resolution on UNRWA's operations, calling for reimbursement of these charges by the Israeli authorities as appropriate.

The Commission calls on all parties to fully respect United Nations resolutions and international law, including international humanitarian law.

The Commission remains concerned about the lack of Agency access to, and information on, its staff detained by relevant authorities.

The Commission restates its view that the enduring hardships of Palestine refugees underscore the critical role of UNRWA. It is concerned about the long-term structural underfunding of the Agency, noting that, in 2009, as in the previous year, UNRWA faced difficulties in reaching a funding level sufficient to maintain adequate service delivery. While fully acknowledging and greatly appreciating the long-term support by major donors for UNRWA operations, the Commission urges the international donor community as a whole to honour their pledges, and to mobilize resources needed, particularly for the Agency's General Fund, to secure proper service delivery. At the same time, the Commission recognizes the efforts being made to incorporate greater efficiencies in programming and to broaden the donor base. The Commission encourages UNRWA to intensify these efforts.

UNRWA's appeal for the occupied Palestinian territory in 2009 for $456.7 million was its largest to date, reflecting, in part, the impact of the conflict in the Gaza Strip. The Commission notes that UNRWA received $324 million or 71 per cent, representing less than the amount needed. The Commission calls on donors to redouble their efforts in this area.

The Commission calls for full support for the rebuilding of Nahr El-Bared camp and relief assistance to those displaced following its destruction in 2007. The Commission urges its members and others to support UNRWA's appeal for the reconstruction of the camp and the support of displaced refugees living in neighbouring communities and to live up to the pledges made at the International Donor Conference held in Vienna in 2008.

The Commission emphasizes its ongoing support for continuous reform of UNRWA with the aim of improving its effectiveness in delivering services to refugees in cooperation with host countries. This process has to show tangible results. The Commission welcomes the medium-term strategy, the introduction of field and headquarters implementation plans and reforms of UNRWA's programmatic activities. The Commission notes with approval the funding from the United Nations regular budget of the remaining 14 posts of the 20 that were created as a central element of organizational development. The Commission looks forward to the Agency's plans for sustaining change.

The Commission notes the efforts to build support for UNRWA, notably the holding of a high-level event in New York in September 2009 to mark the sixtieth anniversary of the Agency. The Commission commends the dedication, commitment and constant engagement of UNRWA staff members.

The Commission highly commends the support by host countries, host authorities and donors of UNRWA's work and activities.

The Commission takes this opportunity to formally thank the outgoing Commissioner-General for her profound personal commitment to the Palestine refugees and to warmly welcome the appointment of Filippo Grandi as Commissioner-General and Margot Ellis as Deputy Commissioner-General.

(*Signed*) Amr **Aboulatta**
Chair of the Advisory Commission

# Chapter I
## Introduction

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established pursuant to General Assembly resolution 302 (IV) of 8 December 1949. The Agency became operational on 1 May 1950, responding to the needs of about 750,000 Palestine refugees. It is now one of the largest United Nations programmes, with a population of 4.76 million Palestine refugees under its mandate and almost 30,000 staff.

2. The Agency's mission is to assist Palestine refugees in achieving their full potential in human development until a durable and just solution is found to the refugee issue. The Agency fulfils its humanitarian and human development mandate by providing protection and essential services to Palestine refugees in the Gaza Strip, the West Bank, Jordan, Lebanon and the Syrian Arab Republic. Its services include basic (and in Lebanon, secondary) education, comprehensive primary health care, emergency relief, social interventions, microfinance, housing and infrastructural support. It is unique among United Nations agencies in delivering services directly to beneficiaries.

3. The Agency's vision is for every Palestine refugee to have a long and healthy life, to be able to acquire knowledge and skills, to enjoy a decent standard of living and to feel assured that his or her rights are being defended, protected and preserved. In situations of humanitarian crisis and armed conflict, the Agency's emergency interventions and its presence serve as tangible symbols of the international community's concern and ultimately contribute to a stable environment.

# Chapter II
# Contextual overview

## A. Political, economic and security developments

4. During an intensive armed conflict from 27 December 2008 to 19 January 2009 in the Gaza Strip, UNRWA provided shelter in its schools to some 50,000 people displaced by the fighting. Non-governmental organizations placed the overall number of persons killed between 1,387 and 1,417. The Gaza authorities reported 1,444 fatalities. The Government of Israel provided a figure of 1,166. Among the Palestinians killed, it has been estimated that between 310 and 350 were children;[1] 5,015 Palestinians were reportedly wounded, including 11 UNRWA personnel while on duty at Agency premises; and 13 Israelis were killed. About 60,000 homes, belonging to refugees and non-refugees, were damaged or destroyed, as were hundreds of industrial facilities and businesses. The level of conflict in the Gaza Strip dropped off steeply after 19 January, with a monthly average of 5 Palestinians killed and 12 Palestinians injured from February to December 2009.[2] During the same period, one Israeli soldier was killed.[3]

5. The destruction of the public and private sector infrastructure has had grave consequences on the economy, employment and the delivery of public services. In the aftermath of the conflict, 76.7 per cent of households in the Gaza Strip were found to suffer from food insecurity or be vulnerable to food insecurity.[4] Initial estimates put the economy's direct and indirect losses at approximately $4 billion, including an estimated $1 billion in costs associated with cushioning the humanitarian impact of the conflict.[5] These effects hit a population already devastated by nine years of conflict and closure, and a tight blockade since June 2007. The latter continued to be in place throughout 2009. The monthly average of truckloads of goods entering the Gaza Strip during the year was 2,719.[6] This was less than one fifth of the monthly average, 12,350, that entered in the five months before June 2007. By the end of 2009, unemployment reached 43 per cent.[7]

6. The blockade of the Gaza Strip resulted in most basic materials for humanitarian and development interventions being denied entry, prompting delays and suspension of vital programmes, as well as the development of an economy serviced by several hundred tunnels under the Gaza-Egypt border. Supplies of industrial fuel for Gaza's power plant, cooking gas, petrol and diesel remained in short supply, leading to widespread power outages and cuts in basic sanitation services. Up to 80 million litres of raw sewage were estimated to be pumped into the sea off the Gaza Strip each day, posing major environmental and health risks to the Mediterranean region. Access to running water was scant or intermittent. Average

[1] See report of the United Nations Fact-Finding Mission on the Gaza Conflict.
[2] Office for the Coordination of Humanitarian Affairs (OCHA), "The humanitarian monitor", January 2010.
[3] Israeli Security Agency, 2009 annual summary (30 December).
[4] WFP/FAO, "Socio-economic and food security assessment in the Gaza Strip", November 2009.
[5] UNCTAD, "Developments in the economy of the occupied Palestinian territory", August 2009.
[6] OCHA, "Humanitarian updates", November 2009 and January 2010.
[7] UNCTAD, "The Palestinian economy: towards recovery and sustained growth", December 2009.

per capita consumption of water in Gaza is 91 litres per day, below the 100-150 litres per capita per day that the World Health Organization sees as necessary.[8]

7. The Security Council, in its resolution 1860 (2009), expressed grave concern at the deepening humanitarian crisis in Gaza, called for the "unimpeded provision and distribution throughout Gaza of humanitarian assistance, including of food, fuel and medical treatment", called upon States to "intensify efforts to provide arrangements and guarantees in Gaza in order to sustain a durable ceasefire and calm, including to prevent illicit trafficking in arms and ammunition and to ensure the sustained reopening of the crossing points on the basis of the 2005 Agreement on Movement and Access" and recognized the "vital role played by UNRWA in providing humanitarian and economic assistance within Gaza". A year later, several of the key paragraphs of the resolution, notably the call for the sustained reopening of the crossing points on the basis of the 2005 Agreement on Movement and Access, have not been implemented.

8. In the West Bank, including East Jerusalem, the occupation and associated regime of closures, separated road networks, house demolitions, land confiscation, settlement expansion, curfews and military operations continued to have an adverse effect on the Palestinian population, limiting their access to land, services and resources. Communities in Area C of the West Bank and Palestine refugees in East Jerusalem were particularly vulnerable, as were those living between the barrier and the Green Line. In East Jerusalem, there were 80 house demolitions leading to the displacement of 300 people, including 149 children. The trauma of ongoing dispossession and the repeated displacement of refugees since 1948 cannot be overemphasized.

9. Construction of new sections of the barrier continued to be largely frozen. With the exception of East Jerusalem, restrictions on movement were eased for Palestinians travelling between the main West Bank urban centres, following the removal of a number of checkpoints and roadblocks and improved checkpoint procedures. The International Monetary Fund (IMF) forecast the first growth in the West Bank economy since 2005.[9] Nonetheless, unemployment remained at about 23.7 per cent, with gross domestic product (GDP) at about a quarter of pre-intifada 2000 levels. Poverty levels were especially high among refugees.

10. In the West Bank, 21 Palestinians (including 7 minors) and 4 Israelis (including 1 minor) were killed, and 937 Palestinians (including 238 minors) and 117 Israelis (including 1 minor) were injured as a direct consequence of the conflict and occupation of the occupied Palestinian territory, including in military operations, artillery shelling, search and arrest campaigns, demonstrations, targeted killing, settler violence and Palestinian attacks on Israelis.[10] UNRWA recorded a total of 350 military incursions in the 19 West Bank camps, during which 2 refugees (both minors) were killed, 102 were injured (including 12 minors) and 371 were detained.[11] Settler violence against the Palestinian population increased. While 2008 saw 363 incidents of settlers involved in hostile acts against Palestinians and/or

[8] World Bank, "Assessment of restrictions on Palestinian water sector development", April 2009.

[9] IMF, "Macroeconomic and fiscal framework for the West Bank and Gaza", September 2009.

[10] OCHA, Protection of Civilians: Casualties Database (accessed 1 July 2010).

[11] UNRWA statistics.

their property (in itself a 118 per cent increase on 2007), in 2009, 464 such incidents took place.[12]

11. In Lebanon, the general election on 7 June saw the March 14 Alliance defeat the March 8 Alliance opposition political grouping. All parties accepted the election results, paving the way for greater political stability in the country. The new Government's ministerial statement in December 2009 mentioned the need to improve living conditions for Palestine refugees, but did not address the issue of their rights. The lack of employment rights, among other concerns, remains a key obstacle to the well-being of Palestine refugees in Lebanon.

12. In January, during the conflict in the Gaza Strip, tensions between Lebanon and Israel increased, and rocketfire from Lebanon into Israel temporarily led to fears of a renewed conflict. On 23 March, near Mieh Mieh camp, Kamal Midhat, the second-in-command of the Palestine Liberation Organization (PLO) in Lebanon, was assassinated. Nonetheless, major security incidents between Palestinian factions were relatively few, and escalated tensions between Lebanon and Israel in the second half of 2009 did not lead to any casualties. In a separate development, the remains of Alec Collett, a British freelance journalist who had been kidnapped in 1985 in Lebanon while working for UNRWA, were found in the Bekaa Valley in November.

13. In the Syrian Arab Republic and Jordan, the Palestinian refugees continued to benefit from stable political environments.

## B. Operational developments

14. The reporting period was marked by efforts to continue to improve the quality of UNRWA services through enhanced programme management and streamlined support services under the organizational development management reform process. Focus was also placed on better targeting of programmes to reach the most vulnerable refugees. In addition to its core services, UNRWA provides protection and also responds to emergencies wherever they occur in its areas of operation.

15. During 2009, emergency programmes in the Gaza Strip were expanded significantly to meet humanitarian needs resulting from the continuation of the blockade and the Israeli operation launched in December 2008. During the conflict, UNRWA suspended relief operations for two days following the shelling of an aid convoy on 8 January. It also ceased to import aid for three days following the seizure of goods by the authorities in Gaza on 6 February, resuming imports only after the aid had been returned in full and the Agency had been given credible assurances that there would be no repeat of this type of incident. In the immediate aftermath of the conflict, UNRWA increased its emergency food aid rolls from 550,000 to 900,000 refugees and provided financial support to families whose homes were destroyed or sustained damage. Of the total of 60,000 homes destroyed or damaged in the operation, 46,500 were refugee shelters.

16. The ban on the entry of construction materials into the Gaza Strip halted reconstruction projects, including those that pre-dated the conflict. An estimated 1,400 refugee shelters destroyed in military operations before December 2008 had

[12] UNRWA statistics.

yet to be reconstructed by December 2009 and a further 3,000 were found unfit for habitation. From the end of March, UNRWA reduced its emergency food aid caseload in Gaza to about 650,000 refugees. However, it maintained a feeding programme covering all 200,000 pupils and disbursed about $10 million to these pupils' families in support of back-to-school costs. Temporary work for about 40,000 refugees was also provided.

17. In the West Bank, the Agency provided emergency food aid to about 60,000 families and supported about 37,000 with temporary employment. Special focus was given to communities affected by the barrier and living in Area C, as well as those in East Jerusalem.

18. The security of UNRWA staff remained of serious concern. UNRWA is indebted to its staff and acknowledges their dedication and loyalty. Those working in areas of conflict are particularly commended. The Agency notes with regret that the local employees of UNRWA are the only United Nations staff members in the area who do not receive hazard pay and reiterates its calls for this to be addressed.

## C. Organizational developments

19. In 2009, the Agency's sixtieth anniversary was marked by cultural, sports and academic events, short films, photo exhibitions, and information campaigns throughout the year. A ministerial high-level event was held at the General Assembly in September.

20. At the end of the reporting period, UNRWA reached the conclusion of its three-year management reform initiative begun in August 2006. The organizational development plan, designed to enable the Agency to serve Palestine refugees more efficiently, was based on four levels of change: programme management; human resources management; organizational processes and systems; and leadership and management. The year 2009 saw the publication of a medium-term strategy, a six-year framework starting in January 2010. Field offices and departments at headquarters developed field implementation plans and headquarters implementation plans based on the Agency's strategic vision and needs assessment exercises conducted in each field.

21. Extensive reforms in the Agency's support services were also implemented. A new procurement framework was introduced, along with a procurement manual that mirrors United Nations best practices. Reforms in human resources led to improved recruitment practices and a new contractual modality to employ staff for emergencies and for short-term needs. UNRWA also began reform of its major programmes. Detailed external reviews were conducted on the education, relief and social services, and health programmes and innovative projects, aimed at improving the quality of programmes, were developed in the Gaza Strip, the Syrian Arab Republic, and the West Bank.

22. A major element of the organizational development process has been organizational design, which has seen the Agency empower managers through a decentralization of responsibility, delegation of decision-making authority and clarification of accountability across all areas of its work. Furthermore, UNRWA continued its Leadership and Management Programme for approximately 150 managers, who in turn conducted local management training sessions in their

respective fields of operation. UNRWA further strengthened its field management through the creation of second deputy director posts in each of its areas of operation.

23. In 2009, the development phase of an Enterprise Resource Planning system began with the aim of establishing an integrated platform for management of key Agency support services (human resources, finance, and procurement). It will further strengthen reforms by equipping the Agency with an improved and reliable system to capture and manage data. During the reporting period, UNRWA built up its public information, strategic communications and media relations functions, which allowed it to handle the media and liaison demands of the Gaza conflict and adopt innovative partnerships in commemorating the Agency's sixtieth anniversary.

24. Recognizing the importance of the management reform programme, United Nations Member States agreed to fund from the United Nations regular budget the additional 20 international positions that were created as a central element of organizational development, including the final 14 posts approved during the reporting period. Nonetheless, certain organizational development initiatives remain to be advanced in 2010. UNRWA will implement a much-needed reform to its Area staff classification and compensation system, and will also pursue reforms in its budget and financial management. The implementation of the Enterprise Resource Planning system is estimated to require about $32.5 million. At its November 2009 session, the Advisory Commission was apprised of the Agency's initial plans to sustain the momentum of change.

## D. Legal matters

### Agency staff

25. Israeli authorities, raising security concerns, continued to restrict the freedom of movement of UNRWA personnel in the occupied Palestinian territory. The restrictions included closures of the West Bank and Gaza Strip; prohibiting local staff from travelling in United Nations vehicles across the Erez crossing between Israel and the Gaza Strip and Allenby Bridge, or from driving in Israel and East Jerusalem; and the imposition of cumbersome procedures for obtaining permits for local staff to enter Israel and East Jerusalem. On many occasions, permits were not granted even though the procedures were followed.

26. Erez crossing procedures remained often time-consuming, with average waiting times of over 40 minutes on the Gaza Strip side of the crossing, endangering international staff members' safety. Israeli procedures continued to require United Nations vehicles to be submitted to a search that would violate the immunity of the United Nations, unless the vehicle included a United Nations staff member holding a diplomatic visa or was driven by an international staff member on a limited list approved by the Israeli authorities. On many occasions at checkpoints entering East Jerusalem, Israeli authorities refused to permit UNRWA staff members in United Nations vehicles to cross without a vehicle search that would violate the immunity of the United Nations.

27. The above-mentioned restrictions are inconsistent with the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations (the 1946 Convention), relevant United Nations resolutions, and the

1967 Comay-Michelmore Agreement, by which the Government of Israel is obligated to "facilitate the task of UNRWA to the best of its ability, subject only to regulations or arrangements which may be necessitated by considerations of military security". UNRWA obtained permits for local staff to enter East Jerusalem for operational and humanitarian reasons only and without prejudice to relevant United Nations resolutions, including resolutions relating to the status of Jerusalem.

28. The Israeli authorities maintained that the restrictions were necessary to protect Israel against terrorist threats. Evidence was not available to the Agency, however, to indicate that measures concerning Agency staff and movement were other than matters of police or administrative convenience.

29. In the West Bank, coordination with the Israeli military liaison officers continued, including 72 meetings. However, these officers had limited or no influence over Israeli checkpoints staffed by private contractors and staff movement became more restricted and unpredictable at several checkpoints, notably those controlling access to East Jerusalem or through the West Bank barrier. Movement restrictions imposed by the Israeli authorities on the West Bank have resulted in the loss of 625 staff days during the reporting period and additional Agency time and resources expended to adapt to the restrictions. It remained difficult to deliver Agency services in the area between the West Bank barrier and the 1949 armistice line, in particular in the Barta'a area. In the Gaza Strip, the movement of staff was severely restricted until 19 January 2009 during the conflict that began on 27 December 2008 and UNRWA was able to provide emergency services only during that period.

30. In March, the Israeli Ministry of Foreign Affairs introduced a requirement that Gaza-based international staff had to enter Israel to apply for Israeli visa renewals. Until December 2009, when the Ministry facilitated a practical solution, staff were effectively obliged to remain outside their duty station pending their visa renewal, which affected the Agency's operational capacity. Local staff required permits from the Israeli authorities to cross Erez. While both the number of requests for Israeli permits and associated rejected requests reduced substantially compared with 2008, the Egyptian Government exceptionally allowed UNRWA local staff travelling on official business to exit the Gaza Strip through the Rafah crossing and therefore most local staff obliged to leave the Gaza Strip for duty outside the occupied Palestinian territory were able to do so.

31. The Rafah crossing between Egypt and Gaza remained closed for public use throughout 2009, but, for a total of 198 days, it was open on an exceptional basis and with prior coordination. With the cooperation of the Egyptian authorities, a total of 459 UNRWA staff were allowed to cross on duty travel outside the occupied Palestinian territory, while 13 staff were denied permission.

32. During the reporting period, no significant movement restrictions were imposed on UNRWA staff by the Governments of Jordan, Lebanon and the Syrian Arab Republic, or by the Palestinian Authority.

33. At the end of 2009, 16 staff members were in detention, 10 of whom were held by the Israeli authorities, 2 by the Palestinian authorities, 2 by the authorities of Lebanon, and 2 by the Syrian Arab Republic. Despite repeated requests made by the Agency in accordance with General Assembly resolution 36/232, the Israeli authorities did not provide the Agency with access to its detained staff but had

provided some information on the reasons for detention of 6 of the 10 staff members. At the end of the reporting period, despite requests, the Syrian and Lebanese authorities had not provided the Agency with access to its detained staff but the Lebanese authorities had provided information on the reasons for detention.

**Agency services and premises**

34. The normal route for the Agency's humanitarian shipments into the Gaza Strip would be through the Karni crossing, except for construction materials, which would enter through the Sofa crossing. The Israeli authorities continued to impose transit charges on shipments entering the Gaza Strip, forcing UNRWA to pay $307,649 in 2009. In the Agency's view, the charge is a direct tax, from which it ought to be exempt under the 1946 Convention. Throughout 2009, the Israeli authorities continued the closure of the Karni crossing for all containers and of the Sofa crossing, and all UNRWA container shipments were required to enter through one secondary ng, the Kerem Shalom. As this crossing was not capable of receiving containers, all container shipments had to be palletized at port prior to transport to the Gaza Strip. Furthermore, the Kerem Shalom crossing was closed for imports for 34 out of 304 scheduled operating days (10 per cent). The closures of the Karni crossing and the requirement to palletize all container shipments contributed to increased expenditure in the form of charges for storage, demurrage, transportation and palletization of some $3.61 million, including approximately $1.19 million for palletization costs.

35. The import into the Gaza Strip of construction materials was almost entirely prohibited, one exception being some materials required to construct temporary facilities for its Summer Games. As a consequence of the prohibition, UNRWA projects worth $76 million were still pending at the end of the reporting period and three affected Gaza construction contractors have commenced arbitration proceedings against UNRWA under their respective contracts, seeking a total of approximately $5 million. Following the conflict in the Gaza Strip that ended on 19 January 2009, during which two armoured vehicles were destroyed and others damaged, UNRWA imported nine armoured vehicles for use in the Gaza Strip. Three vehicles arrived in Israel on 27 January and six arrived on 10 March. Despite numerous requests, the Government of Israel refused to approve clearance of the first shipment until 5 May and the second shipment until 16 September. The Agency considers the prolonged delays in approving clearance of the shipments to be restrictions on imports for the Agency's official use contrary to the 1946 Convention and intends to submit a claim to the Government of Israel for the losses of over $200,000 incurred.

36. The Operations Support Officer programme continued in both the West Bank and the Gaza Strip and was established in Lebanon in September. The programme played an invaluable role in upholding United Nations neutrality; in facilitating access of UNRWA staff members, vehicles and goods through checkpoints and, in the occupied Palestinian territory, to areas affected by Israeli military operations; in supporting the Agency's programmes and initiatives; in monitoring the humanitarian situation of the Palestinian population; in the inspection of UNRWA installations; and in providing a measure of protection to refugees, including the displaced. In the Gaza Strip, the programme was integral to the Agency's emergency humanitarian response during and after the armed conflict.

37. The 1946 Convention provides that "the premises of the United Nations shall be inviolable". Contrary to that legal obligation, the Israeli military forcibly entered UNRWA premises in the West Bank on eight occasions. On one occasion, the Israel Defense Forces (IDF) used an UNRWA training centre for about four hours to interrogate 128 first-year students. In the Gaza Strip, during the conflict that began on 28 December 2008, UNRWA premises were damaged or destroyed during Israeli military strikes or shelling on 26 occasions, 25 of which were during the first 19 days of 2009. On 15 January the Agency's main warehouse and its contents were destroyed after shelling of the Gaza Field Office compound with white phosphorous munitions, starting a fire. These strikes and shelling during the conflict killed 6 civilians and injured 23 civilians sheltering in UNRWA installations or attending an UNRWA health centre, and injured 11 Agency personnel working there.

38. On 11 February 2009, the Secretary-General convened a United Nations Headquarters Board of Inquiry into certain incidents in the Gaza Strip between 27 December 2008 and 19 January 2009. Seven of those incidents related to UNRWA. In its report, the Board concluded that, in all but one instance involving UNRWA premises or operations, Israel had breached the inviolability of United Nations premises and/or failed to respect the immunity of the Agency's property and assets from interference. It noted that such inviolability and immunity could not be overridden by demands of military expediency, and found Israel responsible for the deaths, injuries and property damage caused by its actions.[13] The Board could not establish responsibility for the other incident related to UNRWA. Following the Board's report, the United Nations engaged an independent loss adjuster to value the losses suffered by the United Nations in respect of those incidents for which the Board had found responsibility. The following table sets out details of the incidents relating to UNRWA for which the Board found Israel responsible, the number of deaths and injuries at the relevant UNRWA installation, and the nature and value of the Agency's losses determined by the loss adjuster.

Table 1
**Incidents relating to UNRWA**

| *Incident investigated by Board* | *Number of deaths and injuries at UNRWA installation* | *Nature of United Nations losses* | *Value of United Nations losses (United States dollars)* |
|---|---|---|---|
| (a) Deaths occurring at and damage done to the UNRWA Asma Elementary School in Gaza City on 5 January 2009 | 3 civilians killed | Real property damage | 920 |
| (b) Deaths and injuries occurring at and in the immediate vicinity of, and damage done to, the UNRWA Jabalia Preparatory Boys "C" School on 6 January 2009 | 6 civilians injured;[a] 1 Agency personnel injured | Real property damage | 1 150 |
| (c) Injuries occurring at and damage done to the UNRWA Bureij Health Centre on 6 January 2009 | 1 civilian killed; 2 civilians injured; 9 staff members injured | Staff personal injuries, real property damage, tangible property damage | 7 853 |

[13] See A/63/855-S/2009/250.

| *Incident investigated by Board* | *Number of deaths and injuries at UNRWA installation* | *Nature of United Nations losses* | *Value of United Nations losses (United States dollars)* |
|---|---|---|---|
| (d) Small arms fire affecting an UNRWA convoy in the Ezbet Abed Rabou area on 8 January 2009 and related damage to a United Nations vehicle | | Tangible property damage | 125 |
| (e) Injuries occurring at and damage done to the UNRWA Field Office compound in Gaza City on 15 January 2009 | 2 civilians injured; 1 staff member injured | Real property damage, tangible property damage, rental of replacement warehouse space | 10 175 486 |
| (f) Deaths and injuries occurring at and damage done to the UNRWA Beit Lahia Elementary School on 17 January 2009 | 2 civilians killed; 13 civilians injured | Real property damage | 12 305 |
| **Total** | | | **10 197 839** |

[a] Figures do not include fatalities and injuries in the immediate vicinity of the installation: for further information see A/63/855-S/2009/250, para. 20.

39. In July, the United Nations submitted to the Ministry of Foreign Affairs of Israel a claim for reimbursement for the losses that the United Nations had sustained in a number of incidents, including the above incidents relating to UNRWA. In January 2010, Israel made a payment of $10.5 million to the United Nations, of which the United Nations remitted $10.27 million to the Agency.

40. In the West Bank, Palestinian Authority security forces entered UNRWA premises on four occasions. Separately, a Palestinian physically assaulted a staff member inside an UNRWA installation in Jenin. In the Gaza Strip, armed Palestinian militants forcibly entered UNRWA installations on five occasions, shooting and injuring an UNRWA guard on one occasion. On three occasions, bullets or other munitions fired from nearby Palestinian military training grounds caused minor damage to UNRWA installations.

41. In October, a kindergarten in an UNRWA facility in the Syrian Arab Republic was closed for over two months. It was reopened in December after the Government authorities explained that it had been closed in error. There were no incursions into UNRWA premises in Jordan or Lebanon.

**Other matters**

42. During 2009, UNRWA was reimbursed by the Palestinian Authority the sum of $2,290,266 for value-added tax. At 31 December 2009, the total amount of value-added tax still due to the Agency from the Palestinian Authority was approximately $30.3 million. The Palestinian Authority has continued to acknowledge its obligation to reimburse value-added tax to the Agency.

43. During the reporting period, the Agency was required, as in the past, to pay port fees and other charges to the Syrian authorities, contrary to the 1948 Agreement

between the United Nations and the Government of the Syrian Arab Republic. In 2009, fees and charges totalling $32,610 were paid.

**Legal status of Palestine refugees in the Agency's area of operations**

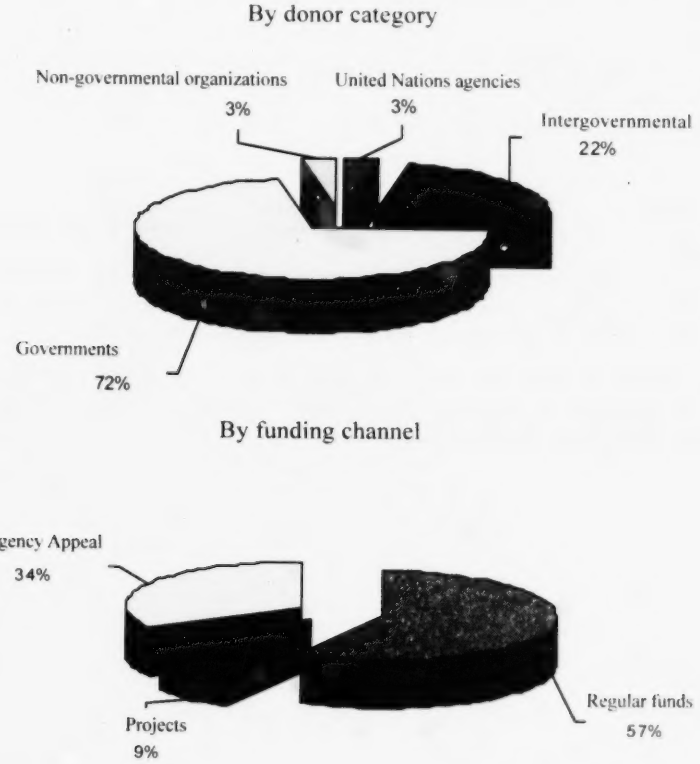
44. The legal status of Palestine refugees in the Agency's area of operations remained substantially the same as that described in last year's annual report.[14]

## E. Financial overview

### 1. Sources of funding

45. With the exception of the international staff posts funded by the General Assembly through assessed contributions to the United Nations regular budget by Member States, UNRWA operations, projects and emergency appeals are funded by the voluntary contributions of donors (see figure I). Projects are earmarked contributions for specific activities that complement the Agency's regular programmes

Figure I
**Distribution of sources of funding by donor category and funding channel**




[14] See A/64/13, paras. 52-55.

## 2. Expenditure

46. In 2009, the Agency expended $881.6 million against a total budget of $1,198.5 million on its regular budget, projects and emergency appeal activities. The largest component was an expenditure of $514.7 million under the regular budget, accounting for 58.4 per cent of total expenditure. Emergency activities and projects accounted for 31.1 per cent and 10.5 per cent, respectively. In the West Bank and Gaza alone, UNRWA estimated the financial cost of meeting the emergency needs of refugees at $456.7 million between January and December 2009. By the end of the year, total confirmed pledges to the Agency's Emergency Appeal stood at $324 million, or 71 per cent of total needs. The self-supporting microfinance department made up less than 1 per cent of total expenditure.

47. In 2009, as in the past, education remained the largest programme, with an expenditure accounting for 59 per cent of the total regular budget (see table 2).

Table 2
**UNRWA regular budget 2009**
(Millions of United States dollars)

| | *Budget* | *Expenditure (amount)* | *Expenditure (percentage of total)* | *Unfunded portion (amount)* | *Unfunded portion (percentage)* |
|---|---|---|---|---|---|
| Education | 283.5 | 303.3 | 59 | (19.8) | (3.6) |
| Health | 105.4 | 89.7 | 17 | 15.7 | 2.9 |
| Relief and social services | 53.5 | 60.8 | 12 | (7.3) | (1.3) |
| Operational support | 34.1 | 37.4 | 7 | (3.3) | (0.6) |
| Common services | 47.6 | 23.5 | 5 | 24.1 | 4.4 |
| Other | 24.5 | — | — | 24.5 | — |
| **Total** | **548.6** | **514.7** | **100** | **33.9** | **6.2** |

48. The unfunded portion of $33.9 million resulted from the difference between a needs-based budget and the contributions of donors. The shortfall necessitated the adoption of stringent austerity measures throughout the Agency.

49. Figure II illustrates the 2009 regular budget and actual expenditure across the Agency's areas of operation; figure III provides a comparison of the budget and actual experience by category of expenditure.

Figure II

**Comparison of the budget and actual expenditure by field**

(Millions of United States dollars)

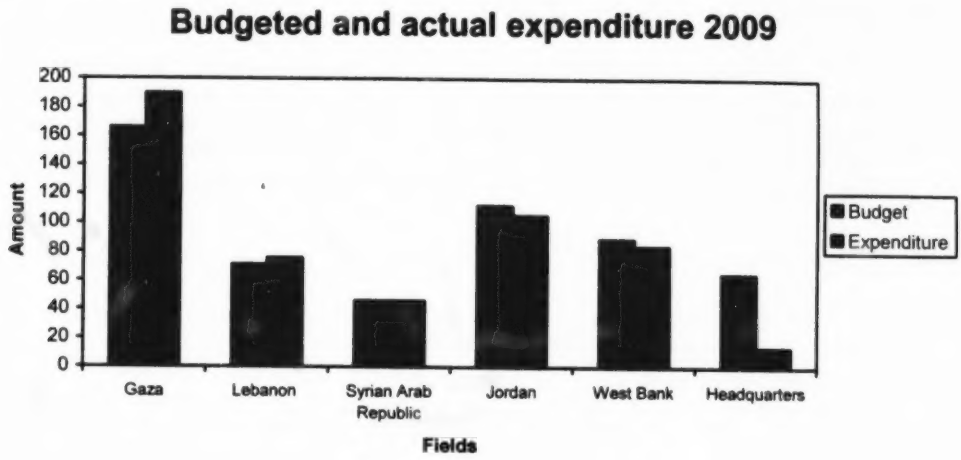
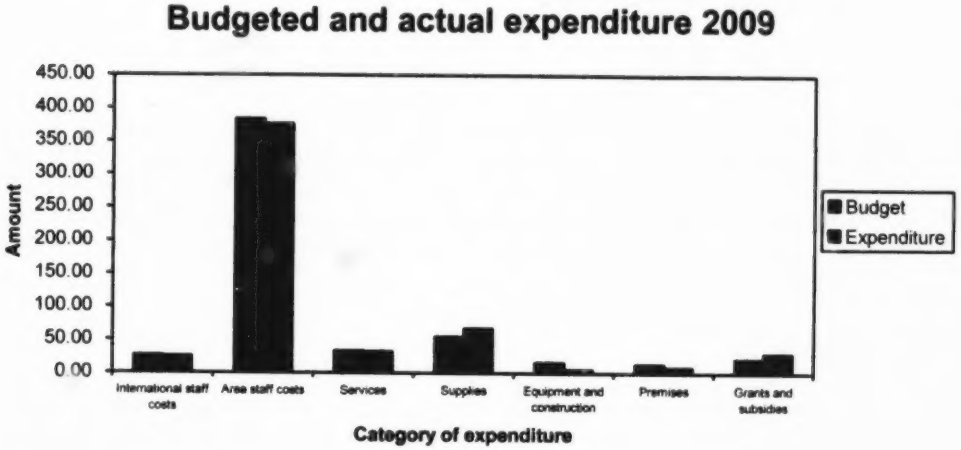



Figure III

**Comparison of the budget and actual expenditure by category of expenditure**

(Millions of United States dollars)



# Chapter III
# Field priorities

## A. Jordan

50. The Jordan Field Office focused on three main priorities: maintaining an acceptable quality of core services; intensifying efforts to help refugees take advantage of socio-economic opportunities; and enhancing assistance to the most vulnerable refugee groups, such as the abject poor and the ex-Gazans, who do not enjoy the same rights as other refugees and are not considered Jordanian nationals.

## B. Lebanon

51. The Lebanon Field Office focused on securing improvements in the quality of health care. The focus for 2010 will be on pursuing similar reforms to improve education, engineering and relief services. A major priority was the completion of phases I and II of eight phases for the reconstruction of Nahr el Bared camp in northern Lebanon. The rebuilding commenced on 25 November. However, as at December 2009, the $328 million budget for the camp reconstruction was approximately 30 per cent funded. Other priorities included: decentralizing management and empowering staff; reviewing recruitment and contracting processes; improving internal and external communication; and strengthening engagement with the Lebanese authorities on the refugees' right to work and on extending services to Palestinians.

## C. Syrian Arab Republic

52. The Agency began implementation of an initiative to address youth unemployment, following the outcome of a needs assessment exercise in 2009 and consultations with the refugee community. The "Engaging Youth" initiative will ensure that UNRWA schools are better equipped to prepare young refugees for adult life and will expand vocational training opportunities. Organizational reform also remained a priority.

## D. Gaza Strip

53. Gaza field priorities included consolidating the achievements made in recent years to improve learning outcomes in maths and Arabic; providing enhanced human rights education and practical help to pupils with special needs; maintaining an initiative to promote respect and discipline in UNRWA schools; sustaining the Summer Games activities for 252,000 children; improving socio-economic opportunities for women; increasing assistance to the very poorest refugees; and ensuring better community participation within the health programme.

## E. West Bank

54. The West Bank Field Office focused on an education recovery plan entailing improvements in curriculums, teaching and remedial education, as well as school management, community participation and child well-being. Other priorities included maintaining the standards of its primary health-care system in the face of increasing demand; ensuring that the Agency's social safety net assistance is reaching the poorest and most vulnerable refugees and delivering the Agency's protection mandate both through its delivery of services and the monitoring and reporting of rights and international humanitarian law violations.

# Chapter IV
# Subprogramme review

55. In 2009, the Agency's medium-term strategy for 2010-2015 was adopted. As of 2012, the subprogramme review will be presented within its framework.

## A. Performance analysis for sub-goal I: education

56. The Agency's education programme provides basic (and in Lebanon, secondary) education. Approximately half a million children benefit from this service. UNRWA also provides technical and vocational education training, teacher training, placement and career guidance and a limited number of scholarships. Highlights in 2009 included:

(a) Monitoring learning achievement tests for the fourth and eighth grades in Arabic and mathematics were administered to over 60,000 children in all fields to measure and track levels of learning achievement. The results were the first step towards a comprehensive baseline and, for the first time, comparable performance data from the majority of UNRWA schools (see table 3);

(b) Tests were administered in all schools in the Syrian Arab Republic at the beginning of the school year in the subjects of Arabic, mathematics, science and English;

(c) The recovery plan for Gaza continued providing support to school supervisors and teachers on topics related to improving the teaching and learning of Arabic and maths for grades 1-4;

(d) Additional human rights, conflict resolution and tolerance programme materials were produced, including guides to teaching human rights in Islamic education, Arabic, English and social studies classes;

(e) In partnership with the Hoping Foundation, hundreds of camcorders were distributed to UNRWA schools in Gaza, the West Bank, Jordan, Lebanon and the Syrian Arab Republic to create the region's first online video yearbook;

(f) The One Laptop Per Child Association donated 5,000 laptops to be distributed in UNRWA schools in the Gaza Strip and the West Bank;

(g) An external team of consultants completed a review of the education programme that will form the basis for future systemic changes to the programme;

(h) The UNRWA technical and vocational education programme at the Damascus Training Centre was restructured in line with international practices.

Table 3
**Education: performance by indicator**[a]

| *Expected accomplishments* | *Performance indicators* | *Achievements* |
|---|---|---|
| Maintenance and improvement of the quality of education provided to the Palestine refugee population by maintaining an environment conducive to learning; meeting the needs arising from natural growth through upgrading and construction of facilities; and enhancing the skills and competencies of teaching and training staff | (i) Maintenance of relatively high pupil pass rate in the elementary cycle | Unit of measure: percentage<br>Target: 96<br>Result: 90.95 |
| | (ii) Maintenance of relatively high pupil pass rate in the preparatory cycle | Unit of measure: percentage<br>Target: 98<br>Result: 92.84 |
| | (iii) Maintenance of relatively low dropout rate in the elementary cycle | Unit of measure: percentage<br>Target: 0.37<br>Result: 0.40 |
| | (iv) Reduction in the dropout rate in the preparatory cycle | Unit of measure: percentage<br>Target: 2.60<br>Result: 2.41 |
| | (v) Number of additional educational facilities or other infrastructure facilities constructed or renovated | Unit of measure: number of facilities<br>Target: 200<br>Result: 150 |
| | (vi) Number of education staff from various categories (teaching and non-teaching) trained | Unit of measure: number of staff<br>Target: 1,000<br>Result: 960 |
| | (vii) Improvement in the pupil to teacher ratio in the elementary cycle | Unit of measure: ratio<br>Target: 30:1<br>Result: 30.67:1 |
| | (viii) Improvement in the pupil to teacher ratio in the preparatory cycle | Unit of measure: ratio<br>Target: 23:1<br>Result: 23.86:1 |
| | (ix) Number of schools operating on a double-shift basis | Unit of measure: number of schools<br>Target: 470<br>Result: 503 |

| *Expected accomplishments* | *Performance indicators* | *Achievements* |
|---|---|---|
| Adaptation and improvement of course content and curriculums in the general and technical education programmes to match developments in host countries | (x) Percentage of the curriculums adapted/improved relative to the total number of modifications required | Unit of measure: percentage<br>Target: 100<br>Result: 100 |
| Adaptation and improvement of course content and curriculums in vocational training institutions to meet changing market conditions | (xi) Percentage of the curriculums adapted/improved relative to the total number of modifications required | Unit of measure: percentage<br>Target: 100<br>Result: 100 |

[a] The figures provided refer to the academic year 2008-2009. The school year starts in September and ends in June of the following calendar year.

**Results**

57. The demand for technical and vocational education training has been increasing. A total of 10,743 applications were received for 3,670 available places.

58. UNRWA vocational and technical training centres in Jordan and the West Bank ranked higher in the nationwide government-administered examinations than other private and community colleges.

59. The employment rate of UNRWA vocational training graduates continued to be high. Of 2,913 trainees who graduated from the Agency's training centres in the year 2008/09, 77 per cent were employed within one year.

60. The Gaza Training Centre was awarded the Against All Odds Award by the Cisco Networking Academy for the work done in widening e-learning and fostering information technology (IT) skills among Palestine refugees.

## B. Performance analysis for sub-goal II: health

61. The goal of the UNRWA Health Programme is to protect, preserve and promote the health status of registered Palestine refugees within the Agency's five areas of operations (see table 4). Highlights in 2009 included:

(a) In partnership with the Japanese International Cooperation Agency, a new maternal and child health handbook was produced and new World Health Organization (WHO) growth monitoring standards were introduced in Jordan, with their extension to the Syrian Arab Republic and Lebanon planned in 2010;

(b) Joint activities with WHO and United States Centres for Disease Control and Prevention continued and the results of the Global Youth Tobacco Survey and the Global School Personnel Survey were published in early 2009;

(c) Technical instructions on the provision of maternal care and family planning services were revised and updated to include new interventions such as *preconception* care, screening for domestic violence, post-abortion care, emergency contraception and preventive oral health;

(d) Technical instructions on supplementary feeding for pregnant women and nursing mothers were revised and updated to include new criteria for selecting beneficiaries based on health vulnerability status;

(e) The infant mortality survey report was released during 2009, and showed that there was no significant change in the level (22 per 1,000 live births) or the pattern of infant mortality, when compared with results in the previous report in 2004;

(f) Epidemiological surveillance training courses were prepared and training was conducted for staff in all fields;

(g) Technical instructions on responding to H1N1 influenza were issued. They address preventive measures and the provision of antiviral drugs;

(h) External consultants conducted an Agency-wide review of the health programme, as well as field-specific reviews in the Syrian Arab Republic, Lebanon and the West Bank. Reviews of the management system for essential medicines and of the Agency's mental health programme were also conducted.

Table 4
**Health: performance by indicator**

| *Performance indicator* | *Target* | *Result* |
|---|---|---|
| Infant mortality rate per 1,000 live births | 22 | 22 |
| Child mortality rate per 1,000 live births | 25 | 24.4 |
| Pregnant women registered at UNRWA for antenatal care clinics during first trimester (out of all newly registered pregnant women) | 70 per cent | 77.3 per cent |
| Pregnant women who paid at least four antenatal visits to clinics during the antenatal period | 90 per cent | 89.0 per cent |
| Babies delivered by trained personnel | 98 per cent | 99.8 per cent |
| Women receiving post-natal care | 96 per cent | 92 per cent |
| Prevalence of contraceptive methods among mothers of infants 0 to 3 years of age attending UNRWA maternal and child health clinics | 55 per cent | 55.4 per cent |
| Total fertility rate | 3.2 | 3.2 |
| Pregnant women protected against tetanus | Above 95 per cent | 99.6 per cent |
| 12-month-old infants fully immunized | Above 95 per cent | 99.7 per cent |
| 18-month-old infants receiving all booster doses | Above 95 per cent | 99.4 per cent |
| Incidence of neonatal tetanus and poliomyelitis | Zero | Zero |
| Cure rate of smear positive TB cases | 100 per cent | 100 per cent |
| Average daily medical consultations per doctor[a] | 70 | 98.5 |

| *Performance indicator* | *Target* | *Result* |
|---|---|---|
| Camp shelters with access to safe water[b] | 98 per cent | 99.8 per cent |
| Refugee shelters connected to underground sewerage system | 85 per cent | 87 per cent |
| Female medical personnel | 50 per cent | 45 per cent |

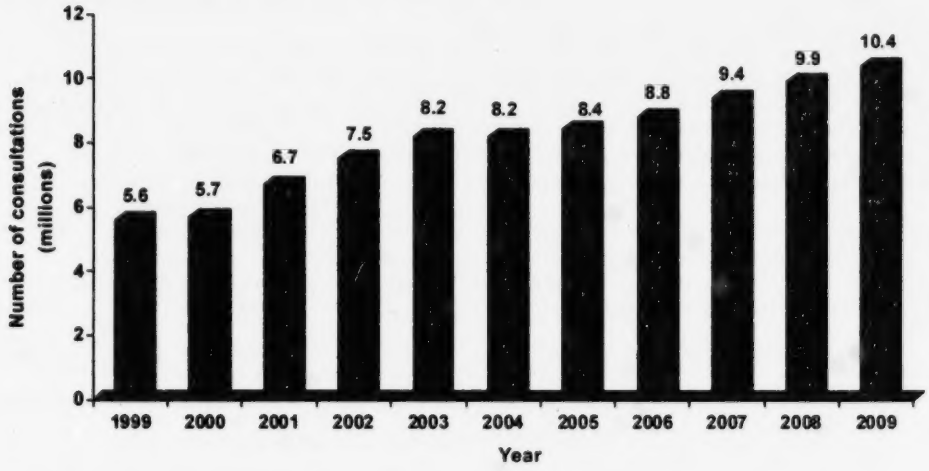
[a] The workload at UNRWA primary health-care facilities decreased from 103 in 2008 to 98.5 patients per medical officer by the end of 2009.

[b] In the Gaza Strip, while the water supply is safe from a bacteriological perspective, chemically it contains high levels of nitrates and chlorides.

**Results**

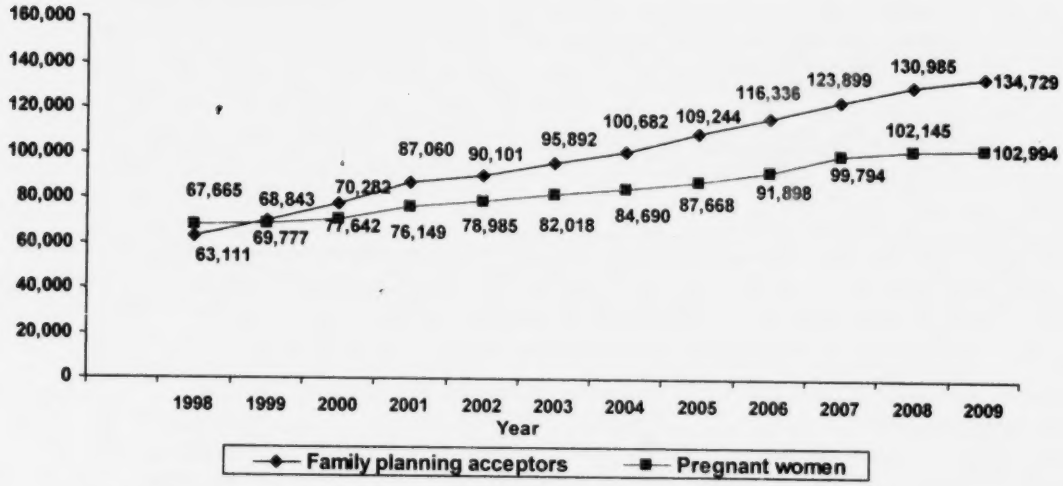
62. Medical consultations provided to refugees rose by 4.6 per cent, to 10.4 million (see figure IV). The total number of refugees receiving hospital treatment increased by 3 per cent to 86,947, while dental consultations decreased by 4.8 per cent, to 724,320.

Figure IV
**Utilization of curative medical services, 1999-2009**




63. The number of newly registered pregnant women increased by 0.8 per cent, to 102,994; those receiving post-natal care decreased by 0.02 per cent, to 87,578; and the number of family planning acceptors grew by 2.8 per cent, to 134,729 (see figure V).

Figure V
**Correlation between number of pregnant women and of family planning acceptors, 1998-2008**




64. The number of patients with non-communicable diseases under supervision at UNRWA health facilities increased from 177,223 to 188,276.

## C. Performance report for sub-goal III: relief and social services

65. Services include food support and cash assistance to families living in particular hardship; community-based social services; and the maintenance of registered refugee records (see table 5). Highlights in 2009 included the following:

(a) A proxy means test formula to identify abject and absolute poverty among refugees was applied in the five fields;

(b) The web-based refugee registration information system (RRIS) was rolled out in the Lebanon, Syrian Arab Republic and West Bank fields. Gaza and Jordan fields will begin RRIS implementation in early 2010. The time taken to update registration cards was reduced from three months to one day and all refugees can be registered as individuals, in addition to their family registration. In the course of the five-year RRIS project, 17.5 million family file documents were digitally scanned, ensuring their preservation as a historical resource;

(c) Development of a capacity assessment tool was begun for the 104 refugee-run community-based organizations with which UNRWA partners;

(d) Directories were developed in each of the five fields, listing social service providers in order to strengthen referral systems to services outside UNRWA;

(e) An independent cost-efficiency study on the delivery of food assistance to special hardship case families was completed in 2009. It found the Agency's food delivery model to be very cost-efficient, but also prone to stigmatizing some

beneficiaries. The relief and social services programme is now considering appropriate changes to the methods of service provision;

(f) In October 2009, an external review of the relief and social services programme was launched. The purpose of the review is to examine the programme's policies, processes, objectives, roles and responsibilities to determine their efficiency and effectiveness.

Table 5
**Relief and social services: performance by indicator**

| | | *Achievements* | |
|---|---|---|---|
| *Expected accomplishments* | *Performance indicators* | *Target* | *Result* |
| Improved quarterly delivery of food rations and cash subsidy safety net support to special hardship case families | Percentage of food rations and cash subsidies distributed in relation to the projected ceiling | 100 per cent | 98 per cent |
| Increased provision of selective cash to refugee families facing emergency financial crisis in a timely manner | Percentage of increase in number of special hardship case and non-special hardship case families receiving cash assistance in relation to the previous reporting period | Special hardship case families: 12 per cent | 2.3 per cent |
| | | Non-special hardship case families: 3 per cent | 3.6 per cent |
| Maintained ability to keep up-to-date computerized registry of all registered refugees through timely verifications and modification transactions | Percentage of modifications and verifications processed for refugees and Governments, United Nations agencies or valid officials | 100 per cent | 100 per cent |
| | Percentage of new registrations processed by headquarters within two weeks | 100 per cent | 71 per cent |
| Increased development opportunities for women | Number of women benefiting from skills training activities | 9,000 | 10,912 |
| Greater access to services and opportunities for persons with disabilities | Number of persons with disabilities receiving direct rehabilitation services | 17,500 | 42,266 |
| Greater access of children and youth to educational, cultural and recreational activities | Number of children participating | 37,500 | 71,524 |
| Increased provision of credit and skills training opportunities to refugees | Number of clients benefiting from loan products | 2,500 | 3,288 |

**Results**

66. The application of the proxy means test formula found that between 65 per cent (Gaza field) and 23 per cent (Jordan field) of individuals currently enrolled in the Special Hardship Assistance Programme suffered from abject poverty. A total of 134,705 abject poor individuals in the five fields were provided with $12,612,522 in cash, above and beyond the regular quarterly food and cash subsidy to bridge their food poverty gap.

67. Social work staff from the Gaza field resumed their training on the generalist approach to social work qualification begun in 2008 in partnership with Southern Illinois University in the United States of America.

68. Selective cash assistance benefited 1,666 refugee families facing acute financial emergency to help prevent them from falling further into poverty. Many applicants in need were not assisted due to budgetary cuts, with 50 per cent fewer refugee families assisted in 2009 as compared with 2008.

69. The relief and social services programme developed a management information system for community-based organizations run by the refugees.

## D. Performance analysis for sub-goal IV: microfinance

70. The Agency's microfinance department provides credit for small businesses, microenterprises, household consumption and housing needs to improve the quality of life of microentrepreneurs, reduce unemployment and poverty, build household assets, improve housing stock, empower women and provide economic and financial opportunities for youth (see table 6). Highlights in 2009 included the following:

(a) In 2009 the programme remained fully self-reliant with an overall self-sufficiency rate of 124 per cent on its credit outreach of $37 million. The operational self-sufficiency rate ranged from 144 per cent in the West Bank, 124 per cent in the Syrian Arab Republic, 109 per cent in Jordan and 97 per cent in the Gaza Strip;

(b) This year the programme surpassed the record outreach it achieved in 2008. It financed 28,300 loans worth just over $37 million, accruing operating expenses of $6.11 million and generating a yield of $1.44 million on its credit operations. Over 19 years the programme has financed 194,000 loans valued at $218.50 million;

(c) The programme remained the leading microfinance organization in the occupied Palestinian territory. In April 2009, it signed a memorandum of understanding with the Palestinian Monetary Authority, when it became the first microfinance institution to participate in the National Credit Bureau, together with the 20 banks operating in the occupied Palestinian territory;

(d) At the end of 2009, the programme signed lease agreements for two new branch offices in Damascus and Aleppo in the Syrian Arab Republic. It also received confirmation that it will receive financing through the United Nations Trust Fund for Human Security to establish a new branch office in Jericho. The branch network will thereby expand from 17 to 20 offices;

(e) The year 2009 saw further product development and diversification, with the programme extending its microenterprise credit plus product into the Gaza Strip and its women's household credit and housing loan products into the West Bank.

The extension of housing microfinance into Jordan and the Syrian Arab Republic has been delayed due to funding limitations;

(f) The Organization of Petroleum Exporting Countries Fund for International Development contributed a further $3 million to the PalFund Trust Fund for the occupied Palestinian territory, which UNRWA administers on its behalf. The PalFund is now valued at $9.87 million, from which the programme has financed a total of 25,000 microenterprise loans valued at $36.46 million.

Table 6
**Microfinance: performance by indicator**

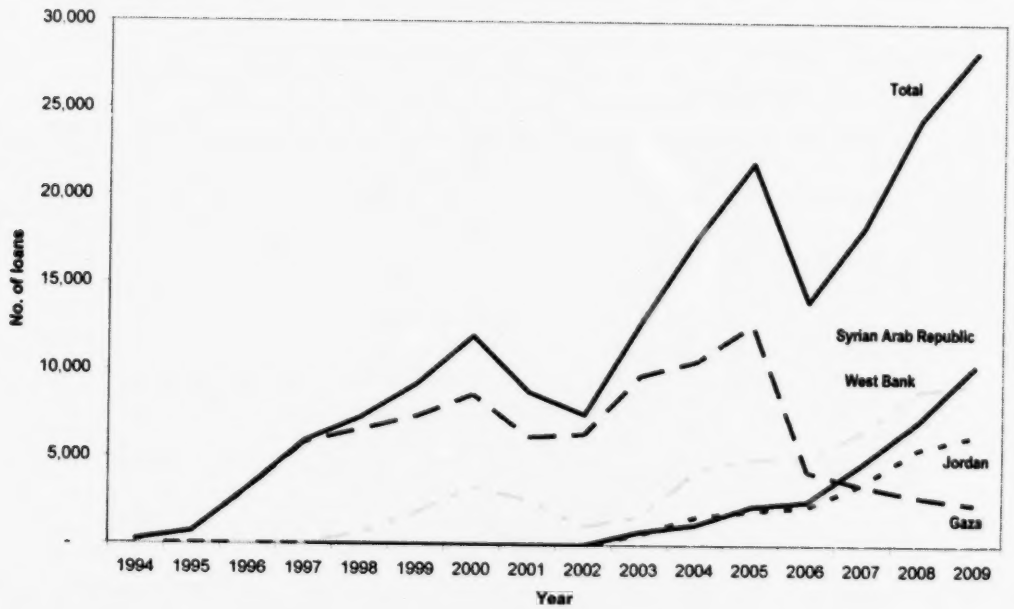
| *Expected accomplishments* | *Performance indicator* | *Target* | *Result* |
|---|---|---|---|
| Microenterprise credit and microenterprise credit plus | | | |
| Increased business development and income-generating opportunities | (i) Number of loans disbursed | 25,800 | 17,179 |
| | (ii) Value of loans financed | $35.64 million | $25.83 million |
| Improved outstanding portfolio and number of active loans | (i) Number of active loans | 15,000 | 12,643 |
| | (ii) Value of loan outstanding | $14.50 million | 12.99 million |
| | (iii) Repayment rate | 97 per cent | 97 per cent |
| Solidarity group lending and women's household credit | | | |
| Increased capacity of women microentrepreneurs | (i) Number of loans disbursed to women | 5,800 | 4,737 |
| | (ii) Value of loans financed | $2.17 million | $1.97 million |
| Improved outstanding portfolio to women | (i) Number of active loans to women | 4,000 | 2,956 |
| | (ii) Value of loan outstanding | $1.50 million | $0.84 million |
| | (iii) Repayment rate | 97 per cent | 99 per cent |
| Consumer lending | | | |
| Increased financial services to poor people that are unable to access bank credit | (i) Number of loans disbursed | 9,600 | 6,278 |
| | (ii) Value of loans financed | $8.55 million | $6.38 million |
| Improved outstanding portfolio to consumer clients | (i) Number of active loans | 6,000 | 5,212 |
| | (ii) Value of loan outstanding | $4.25 million | $3.24 million |
| | (iii) Repayment rate | 97 per cent | 95 per cent |

| *Expected accomplishments* | *Performance indicator* | *Target* | *Result* |
|---|---|---|---|
| Housing loans | | | |
| Increased financial services to poorer householders | (i) Number of loans disbursed | 278 | 176 |
| | (ii) Value of loans financed | $1.67 million | $1.28 million |
| Improved outstanding portfolio to homeowners | (i) Number of active loans | 600 | 531 |
| | (ii) Value of loan outstanding | $3.00 million | $2.05 million |
| | (iii) Repayment rate | 97 per cent | 96 per cent |

**Results**

71. Owing to the situation in the Gaza Strip, the majority of the population lives in deep poverty. In this context, the outreach of the microfinance programme in Gaza continued to stagnate. It financed just 2,398 loans, worth $3.67 million, compared with $5.05 million in 2008, and $10.38 million in 2005 (see figures VI and VII). However, despite the context, the quality of the portfolio has improved and the programme halved its 2008 loss to just $31,100 in 2009.

Figure VI
**Number of loans financed**




72. While credit financing in the Gaza Strip declined, the outreach of the programme overall grew by 16 per cent and credit financing improved by 17 per cent between 2008 and 2009.

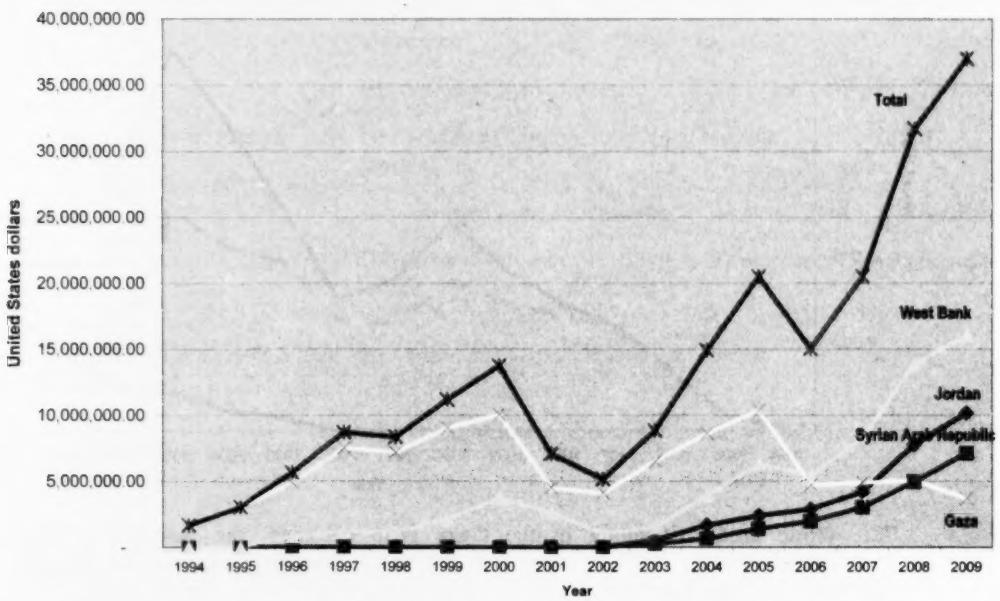
73. For the first time, lending in the Syrian Arab Republic surpassed all other fields. With an outreach growth rate of 44 per cent, the programme financed more than 10,000 loans worth $7.12 million. Despite the significant annual growth rate, loan investments lagged behind both the West Bank and Jordan due to a lower average loan size of $670, compared with $1,600 in Jordan and $1,720 in the West Bank.

74. The portfolio in the West Bank continued to grow, but at a slower rate than previously. It financed 9,300 loans, with investments of $16.06 million. In Jordan, also, portfolio growth slowed. The programme financed 6,300 loans, worth $10.16 million. Growth is expected to pick up again as the programme opens new branch offices in each region in 2010.

75. The programme is at the forefront of those in the region that mainstream social performance management with a view to ensuring that people on the margins of society are benefiting from microfinance. A key benchmarking activity is participation in the Microfinance Information Exchange's social performance reporting system, together with 200 microfinance institutions worldwide. As a result of the quality of its social indicator reporting, the programme was granted a gold award certificate for 2009 by the Consultative Group to Assist the Poor, the Michael and Susan Dell Foundation, the Ford Foundation and the Social Performance Task Force.

76. As part of its work to improve its social performance indicators for outreach to the poor, the department began work with a microfinance rating agency to develop separate poverty scorecards for the occupied Palestinian territory, Jordan and the Syrian Arab Republic to enable it to measure the depth of its outreach to the poor.

Figure VII
**Value of loan financed**



77. The programme is exploring the possibility of restructuring its operations. A transition plan and feasibility study have been contracted with Shore Bank International. The results of the study will be presented to the programme's Advisory Board and the Agency's Management Committee in 2010.

## E. Performance analysis for sub-goal V: infrastructure and camp improvement

78. The infrastructure and camp improvement programme provides improved shelter to vulnerable refugees and improves the physical and socio-economic infrastructure of the camps following a participatory and community-based approach (see table 7). The highlights of the programme in 2009 included:

(a) The integrated participatory planning approach was adopted and a Camp Improvement Working Manual developed and sent to all fields and programmes to guide the camp improvement project implementation;

(b) Strategic camp improvement plans, which encompass physical improvements and social development elements, were completed for Dheisheh and Talbiyeh camps;

(c) Infrastructure projects for three camps in the Syrian Arab Republic are almost complete (Khan Danoun, Khan Esheih and Ein El Tal), while in Lebanon, infrastructure projects in Dbayeh, Shatila and Mar Elias are scheduled for completion in 2010. A new infrastructure project in Burj el-Barajneh commenced during 2009;

(d) In Nahr el-Bared, UNRWA increased the number of emergency shelters to a total of 1,082, accommodating about 850 families on five plots and leaving 120 families in collective centres. Water and sanitation infrastructure and generators were installed in the areas adjacent to the camp. A comprehensive master plan was prepared that divided the camp into eight areas and, accordingly, eight packages for construction. Construction under the first package, which includes both housing and infrastructure, commenced in the last quarter of 2009. The second package was tendered and the third is in the final design stage and will be tendered as soon as funds are secured. The preliminary design of package four was completed, while that of package five commenced;

(e) During 2009, a total of only 101 shelters were rehabilitated, extended or reconstructed in two fields, Lebanon and Jordan, due to a shortage of funding. A major camp rehabilitation project is taking place in Neirab Camp in the Syrian Arab Republic and preparation work for the rehabilitation of 100 housing units in the barracks area is under way. In the Gaza Strip, 30,562 shelters were repaired under the emergency programme;

(f) During 2009, 32 installations were built, reconstructed or extended, including new schools, school extensions, community development centres and health centres;

(g) The programme initiated a strategic planning process covering the next six years; developed better standards for the design of health centres; adapted its designs for all UNRWA buildings to be accessible to persons with disabilities; and developed a gender action plan.

Table 7
**Infrastructure and camp improvement: performance by indicator**

| *Expected accomplishment* | *Performance indicator* | *Achievement* |
|---|---|---|
| (a) Enable disabled persons to access all new UNRWA facilities | Percentage of projects designed to have access for people with disabilities | Baseline: 0 per cent<br>Actual 2008: 90 per cent<br>Actual 2009: 86 per cent<br>Target: 100 per cent |
| (b) Improved knowledge of camp resources in physical and socio-economic terms | (i) Number of the camp-area surveys conducted | Baseline: 0<br>Actual 2008-2009: 5<br>Target: 10 |
| | (ii) Number of socio-economic surveys conducted | Baseline: 0<br>Actual 2008-2009: 5<br>Target: 10 |
| (c) Increased number of refugees living in appropriate shelters | Number of shelters that have been rehabilitated, extended or reconstructed | Baseline:<br>Cumulative total of 2,357 since 2005<br>Actual 2008: 771 shelters<br>Actual 2009: 63 shelters[a]<br>Actual 2008-2009: 834 shelters<br>Target in biennium: 1,100 shelters |

[a] An additional 30,562 shelters were rehabilitated in the Gaza Strip under the Emergency Programme.

**Results**

79. Funding shortages meant that only one camp improvement plan was completed in 2009. Although the target was five camp improvement plans in the 2008-2009 biennium, funding was secured only for the initiation of two plans in the biennium; one was completed in 2008 and one in 2009.

80. The closure of the Gaza Strip meant that UNRWA construction projects worth $76 million were still pending at the end of the reporting period.

81. At the field and headquarters levels, the programme continued to suffer from its inability to recruit key qualified staff because of the Agency's uncompetitive remuneration rates.

82. The newly developed participatory planning method was applied in developing the plans for Nahr el-Bared's reconstruction and was successful in involving all stakeholders and the community as partners.

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